

COMMUNITY HOUSING PROGRAM (CHP) ADVANCES

FHLBank Topeka's Community Housing Program (CHP) is a special advance program authorized by the Finance Agency's Community Investment Cash Advance (CICA) regulations. CHP provides members with wholesale loans (advances) priced below FHLBank's regular rates to help finance owner- and renter-occupied housing in their communities. This favorable pricing, coupled with the availability of funds in terms up to 30 years, helps lenders extend long-term, fixed rate credit for housing. Comparable funding for commercial loans, loans for public facilities and community and economic development projects is available through FHLBank's Community Development Program (CDP) advances.

PROGRAM OBJECTIVE

To finance the construction, purchase, rehabilitation or refinance of owner-occupied and rental housing occupied by or affordable to families earning up to 115 percent of area median income.

TERMS AND CONDITIONS

CHP Advance Products and Programs

- Regular fixed rate advances
- Callable advances
- Amortizing fixed rate advances
- Adjustable rate advances

Limitations

Members must comply with FHLBank's lending procedures as identified in the Credit Guidelines section of the Member Products and Services Guide. CHP advances cannot be used to finance any direct activity of the member or an affiliate of the member. Members are precluded from using CHP advances for their own benefit. The minimum amount of a CHP advance is \$10,000.

Rate

CHP advances are priced at FHLBank's cost of issuing consolidated obligations of comparable maturities, including concession costs, plus a reasonable allowance for administrative costs. Callable, amortizing and adjustable rate CHP advances are priced in a similar manner using market interest rates applicable to FHLBank obligations of comparable maturities and call features. CHP advance rate pricing must be applied on the date the advance is issued.

If FHLBank determines that a member is not complying with the terms, conditions or regulations of the program, the interest rates on the outstanding CHP advances may be changed to the comparable market rates that were in effect at the time of the original funding. Members will be given the opportunity to appeal such determinations before FHLBank implements any rate adjustment.

Term

CHP advances are available in maturities from four months to 30 years. Advance terms should be consistent with the proposed use of funds.

Prepayment Option

The normal prepayment fee will apply to CHP advances. For details, refer to the specific advance program.

Collateral

CHP advances must be fully collateralized at the date of issuance and at all times thereafter. Please refer to the Collateral Guidelines section of the Member Products and Services Guide.

Availability

Provided an approved CHP application is on file, CHP advances may be requested until 4 p.m. CT.

ADDITIONAL CHP GUIDELINES

- **Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's Housing and Community Development department programs. In addition to future CHP applications, this would include the Affordable Housing Program, Homeownership Set-aside Programs, Joint Opportunities for Building Success program and Community Housing Program/Community Development Program advances.**
- CHP advances can be used for loans for construction, rehabilitation, purchase, or to refinance existing loans.
- Members may request approval of anticipated CHP funding needs based on their estimate of the level of loans to be originated to CHP-qualified homeowners in the 12 months following approval of the CHP application.
- Members may request approval of CHP advances equal to the amount of loans made to CHP-qualified borrowers for up to three months prior to submission of the CHP application.
- CHP advances can be used in conjunction with HUD, FHA, state and local governments and secondary market agency programs.
- CHP advances can be used to purchase state housing finance agency bonds or mortgage-backed securities representing pools of loans that could be funded directly with CHP advances.
- CHP advances can be used to fund customer investment in lender consortia or affordable housing tax credits as long as the underlying mortgages could be funded directly with CHP advances.
- CHP pricing cannot be approved for advances obtained by the member prior to approval of the CHP application.
- A CHP application must be submitted to FHLBank's Housing and Community Development (HCD) department for confirmation of eligibility for the CHP. The application review is not a competitive process or subject to limits on the amount of funding available.
- Members are able to determine the loan rate to their customer by establishing loan rates above the CHP rate based on market rates or commitments to their customer.
- Members may take multiple CHP advances up to the total amount of CHP funding approved.
- Members are not committed to taking the full amount of approved CHP funding and may choose to utilize only a portion of the approved amount.

- Applications are available from FHLBank's HCD department at 785.233.0507, on FHLBank's Web site at <http://www.fhlbtopeka.com> or by e-mail request to HCDCSP@fhlbtopeka.com.

COMMON USES

1. Originating loans;
2. Purchasing a participation interest, or providing financing to participate, in a loan consortium for CHP-eligible housing projects;
3. Making loans to entities that, in turn, make loans for CHP-eligible housing projects;
4. Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CHP program;
5. Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CHP program;
6. Originating CHP-eligible loans within 3 months prior to receiving CHP approval; and
7. Purchasing low-income housing tax credits.

WHAT TO EXPECT AFTER APPLYING FOR A CHP ADVANCE

1. The HCD department will review the proposed project to be funded with a CHP advance and, if necessary, request follow-up information or documentation.
2. Following approval of the CHP advance, HCD staff will send the stockholder a letter authorizing the advance under the agreed upon conditions. FHLBank's Lending department will be notified that the advance request is CHP-qualified.
3. The stockholder must call FHLBank Topeka's Lending department at 800.809.2733 when the advance is needed and tell the Lending staff that the advance is for an approved CHP project.
4. Upon taking the advance, the stockholder must provide the CHP Initial Certification of Use of Advances form accompanied by a list of qualified home loans if not supplied with the CHP application. For CHP-funded rental projects, the stockholder must provide the CHP Initial Certification of Use of Advances form accompanied by a copy of the closing documents such as note, mortgage and closing statement to document that the proceeds of the advance have been used for the approved project.
5. No annual verification is required for CHP products.
5. FHLBank, at its discretion, may adjust the interest rate on approved and drawn CHP advances in those instances where FHLBank determines that the stockholder is not in compliance with FHLBank CHP Policies.

STOCKHOLDER INFORMATION

Stockholder Name:		FHFA ID#
Contact Person:	Title:	
Address:		
City/State/Zip:		
Phone:	Fax:	E-mail:

ADVANCE REQUEST

CHP Advance Requested: \$	
Maximum Terms Requested (Months/Years):	
Type of Advance (Fixed/Amortized):	
Purpose of CHP Advance: <input type="checkbox"/> Multifamily Residential <input type="checkbox"/> Single-family Residential <input type="checkbox"/> Other:	
Purpose of Lender Financing (<i>check all that apply</i>): <input type="checkbox"/> New Construction <input type="checkbox"/> Existing Purchase <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Permanent Loan <input type="checkbox"/> Refinance <input type="checkbox"/> Letter of Credit <input type="checkbox"/> Other:	
Est. Date CHP advance to be taken by (date):	Expected date loan will be funded:

PROJECT INFORMATION

Project/Program Name:	
Address:	
City/State/Zip:	
County:	US Congressional District:
Census Tract:	Total Development Cost: \$
Targeted Population (Native American, Farm Workers, Families, etc.):	
Scattered Site: <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Rural <input type="checkbox"/> Urban <input type="checkbox"/> Both
Other Financing Sources (<i>check all that apply</i>) <input type="checkbox"/> Federally Owned Properties <input type="checkbox"/> State/Local Grants or Funds <input type="checkbox"/> Low-Income Housing Tax Credits <input type="checkbox"/> USDA Programs <input type="checkbox"/> Housing Finance Agency Bonds <input type="checkbox"/> Other Grants <input type="checkbox"/> Any HUD Programs (including FHA) <input type="checkbox"/> AHP Subsidy; Amount \$ _____ Project # _____	

FOR FHLBANK USE ONLY

HCD Dept:	APPROVED/DENIED	Comments/Qualifying Criteria:
By:	Date:	
CHP #		
Reviewed by:	Date:	

RESIDENTIAL PURPOSE

Number of Units:	Single-family Owner _____	For owner projects, a borrower's schedule must be submitted as Attachment B.
	Multifamily Owner _____	
	Single-family Rental _____	For rental projects, a tenant/rent schedule must be submitted as Attachment A.
	Multifamily Rental _____	
	Total Units _____	

BORROWER INFORMATION FOR MULTIFAMILY RENTAL PROJECTS

Name:		
Contact Person:	Corporate Title:	
Mailing Address:		
City/State/Zip:		
Phone:	Fax:	
Status:	<input type="checkbox"/> Private, For-profit Developer	<input type="checkbox"/> Government-sponsored Agency
	<input type="checkbox"/> Nonprofit Organization	<input type="checkbox"/> Other, specify: _____

PROJECT DESCRIPTION:

STOCKHOLDER CERTIFICATION

Stockholder certifies that the project meets the guidelines for CHP funding. **Stockholder will provide information after the disbursement of the advance, including a copy of loan documents for rental projects and CHP Initial Certification Form.** Stockholder understands that CHP pricing cannot be applied to FHLBank advances already taken. Stockholder agrees to allow FHLBank to publicize stockholder's participation in the program.

(Name of FHLBank Member Institution)

(Officer Signature) _____ (Corporate Title) _____

(Type or Print Officer Name) _____ (Date Signed) _____

MAIL OR FAX APPLICATION TO: FHLBank Topeka, Housing and Community Development
Department, PO Box 176, Topeka, KS 66601-0176, Phone: 785.233.0507, FAX: 785.234.1765

RENTAL PROJECTS

QUALIFYING CRITERIA FOR CHP RENTAL PROJECTS:

- At least 51% of the units have or will have tenants with incomes at or below 115% of the area median income (AMI); **or**
- At least 51% of the units have or will have rents affordable to tenants at or below 115% of AMI.

State: _____

MSA: _____ or County: _____

115% of AMI, four-person household for MSA or County: _____
(115% of AMI data is available from FHLBank's HCD department.)

Affordable Rent: $(30\% * 115\% \text{ AMI} / 12)$: _____

Please complete the following information. If you have a rent schedule giving this information, you may attach a copy instead of completing this form.

<u>Unit Type</u>	<u>Number of Units</u>	<u>Monthly Rent</u>	<u>Comments</u>
Studio	_____	_____	_____
One Bedroom	_____	_____	_____
One Bedroom	_____	_____	_____
Two Bedrooms	_____	_____	_____
Two Bedrooms	_____	_____	_____
Three Bedrooms	_____	_____	_____
Three Bedrooms	_____	_____	_____
Four Bedrooms	_____	_____	_____
Four Bedrooms	_____	_____	_____
Other, Specify	_____	_____	_____

Do the monthly rent figures shown above include standard utilities such as water, sewer, electricity and heat?
 Yes No

OWNER PROJECTS

QUALIFYING CRITERIA FOR CHP OWNER PROJECTS:

Check one of the following to indicate whether the CHP is to be used for recently originated loans or loans to be made over the next year.

- CHP-funded loans made to borrowers with incomes at or below 115% of the area median income (AMI) no more than three months prior to this application (please complete the CHP-qualified loan list below); or
- CHP-funded loans to be made within the next 12 months to borrowers with incomes at or below 115% of the area median income.

State: _____

MSA: _____ or County: _____

115% of AMI, four-person household for MSA or County: _____
 (115% of AMI data is available from FHLBank’s HCD department.)

Qualified CHP Loans

Complete the following table or supply equivalent information as an attachment.

Borrower Name	Address	City/State	Annual Income	Loan Amount	Loan Date
Total					